

## Accountability for Wall Street

December 11, 2009

Dear Constituents,

As you know, irresponsible lending, investing, and trading on Wall Street triggered a near collapse of our financial sector in late 2007, leading to the vicious global recession which has since cost American families over \$14 trillion in net worth. Over the past year I've worked hard to shore up our economy, save our financial markets, halt the hemorrhaging of jobs from our communities, and work on reforming Wall Street.

There are signs that the economy has begun to turn the corner, showing steady growth for the first time in two years, although much work remains to bolster job creation. Now Wall Street and the big banks must be reformed so that the recklessness which occurred will never happen again.

H.R. 4173, the Wall Street Reform and Consumer Protection Act of 2009, which I voted for today and the House passed 223-202, will strengthen enforcement and oversight of our financial sector, hold Wall Street and big banks accountable for their practices, and end the practice of taxpayer-funded bailouts. The bill will also provide transparency, and protect families and small businesses from predatory lending through the creation of a Consumer Financial Protection Agency.

The legislation contains commonsense reforms which include:

### Consumer Protection

The bill provides for the creation of the Consumer Financial Protection Agency (CFPA). The independent agency will be devoted solely to protecting Americans from unfair and abusive financial products and services, such as predatory loans and credit cards.

### Ends Taxpayer-Funded Bailouts and Prevents the Rise of Institutions that are "Too Big to Fail"

The bill establishes an orderly process for dismantling large, failing institutions, eliminating bailouts and protecting taxpayers and the financial system. Also, the bill creates the Systematic Dissolution Fund that can be used to help wind down failing institutions but not preserve them. The funding for the Fund will come from within the industry, not taxpayers.

### Financial Stability Council

The bill creates an inter-agency oversight council that will identify and regulate financial firms that are so large or risky that their collapse would put the entire financial system at risk. These institutions would be subject to heightened oversight, standards, and regulation.

#### Executive Compensation

The bill puts an end to compensation practices that encourage executives to take high risks at the expense of their company, shareholders, and employees-which subsequently have an impact on the taxpayers. The bill also provides the shareholders with an annual vote on executive compensation and other company pay practices.

#### Investor Protection

The bill strengthens the Securities and Exchange Commission's (SEC) powers so it can regulate America's securities markets and better protect investors.

#### Mortgage Reform and Anti-Predatory Lending

The bill includes legislation passed by the House earlier this year that would stop predatory and irresponsible mortgage loan practices. It ensures mortgage lenders make loans that benefit the consumer.

#### Reform of Credit Rating Agencies

The bill takes steps to reduce market reliance on credit rating agencies and imposes liability standards on these agencies.

#### Hedge Fund Regulation

The bill puts an end to a loophole that allowed hedge funds to escape regulation.

#### Office of Insurance

The bill creates a Federal Insurance Office which will monitor all aspects of the insurance industry.

Due to the lack of oversight and accountability within our financial system one of the oldest and most respected brokerage houses in the country, Lehman Brothers suffered huge losses and was forced to declare bankruptcy. When the federal government refused to intercede, San Mateo County lost \$155 million, which directly harmed schools and colleges,

transportation, medical centers, parks, law enforcement, and support services for the elderly and disabled throughout the County. H.R. 4173 will bring accountability to Wall Street, protect citizens in our District and all across the country, and help prevent a tragedy of this nature from ever happening again.

If you have any questions or comments, let me hear from you. I'm proud to represent a Congressional District where my constituents are informed and ask serious-minded, thoughtful questions, and provide me with valuable feedback. If you know someone who you think will find this E-Newsletter helpful, do share it with them by using the buttons on the right.

Sincerely,

Anna G. Eshoo

Member of Congress